

Cooperation Agreement

This Cooperation Agreement (“Agreement”), dated as of July 1, 2017, is by and between The Pennsylvania State University, a state-related institution and instrumentality of the Commonwealth of Pennsylvania subject to the Pennsylvania nonprofit corporation laws (the “University”) and the Penn State Alumni Association, a Pennsylvania nonprofit corporation (“PSAA”).

Recitals

WHEREAS, the mission of PSAA is to connect alumni of the University to the University and to each other, to provide valued service to members of PSAA and to support the University’s mission of teaching, research and service;

WHEREAS, in the execution of its mission, PSAA provides various services that benefit the University and its alumni;

WHEREAS, in recognition of such benefits, the University provides certain support services to PSAA and the parties wish to continue to cooperate with each other for their mutual benefit in accordance with the terms and conditions hereof;

NOW, THEREFORE, in consideration of the mutual promises contained herein, and intending to be legally bound, the parties agree as follows:

1. **PSAA Obligations.** During the term, PSAA shall offer and provide various services (collectively and individually, “Alumni Relations Services”) in order to benefit the University and its alumni, including but not limited to programs, initiatives and activities that:
 - a. Engage alumni in service to the University on multiple fronts;
 - b. Recognize and honor the University’s high achieving alumni;
 - c. Encourage friends of the University to engage more fully with the University;
 - d. Stimulate, engage and support students, particularly those who are student members of PSAA and its student-alumni service organizations;
 - e. Support the recruitment of students to the University under the auspices of appropriate University administrative offices, such as alumni admissions and Lions Roar;
 - f. Support the University’s legislative agenda through legislative education and advocacy;

- g. Support the University's communications, marketing and branding efforts in such manner as mutually agreed upon by the parties;
- h. Support the University's mission and goals;
- i. Communicate the University's mission and achievements to its alumni and friends;
- j. Support the University's fundraising endeavors; and
- k. Comply with rules established by the NCAA, the Big Ten Conference and any other applicable governing body as it relates to alumni groups.

2. **University Obligations.**

- a. **Staffing.** The University shall employ alumni relations staff who will be directly assigned to PSAA in carrying out programs of shared interest to PSAA and the University. All such employees ("PSAA Staff") shall be under the direction and supervision of the University's Associate Vice President for Alumni Relations, who shall be appointed by the University in consultation with PSAA's governing board ("Alumni Council"), and who shall also act as PSAA's Chief Executive Officer (in such capacity, the "CEO").
 - i. The University reserves the right to make all decisions relating to the compensation, performance, hiring, continued employment and termination of all PSAA Staff, including the CEO; provided, however, that the University shall not terminate the CEO without consultation with the Executive Board of the Alumni Council and the Executive Board of the Alumni Counsel shall not take any action to remove the CEO from his position as such without prior consultation with the Vice President for Development and Alumni Relations. PSAA Staff shall be subject to all University policies, procedures and rules applicable to, and shall have the rights and responsibilities afforded to, University employees generally.
 - ii. As part of the University's annual budgeting process, the University shall make reasonable efforts to inform the PSAA prior to the start of the University's fiscal year of the total funds available from the University to pay salary and benefit costs for PSAA Staff for the next succeeding fiscal year. PSAA may request that additional PSAA Staff be hired or retained by the University. Following the end of the applicable fiscal year, PSAA shall reimburse the University for the salary and benefit costs associated with such additional PSAA Staff in accordance with Section 13 below.

- iii. The University shall make reasonable efforts to provide the PSAA at least 30 days prior written notice of any prospective reduction of amounts previously appropriated to the PSAA pursuant to clause (ii) above. Amounts already incurred and paid on account of employee salary wages and benefit costs which has been reduced by the University may not be recouped.
 - iv. Salaries, wages and the cost of applicable benefits of all PSAA Staff shall be paid by the University, subject to reimbursement by PSAA, as appropriate, in accordance with this Agreement.
- b. **Space.** During the Term, the University shall make available to PSAA, at no charge to PSAA and for its use, the following office and other space (the "Space"):
- i. Primary use of the Hintz Family Alumni Center and its surrounding grounds (collectively, the "Hintz Center") in accordance with the provisions contained in the written documentation between the Hintz family and the University governing the use of the Hintz Center (the "Hintz Documentation"); provided, however, that the University shall have the right to use the Hintz Center, at agreed upon rates, to the extent that such use does not conflict with PSAA events or activities,
 - ii. Non-exclusive use of office space in the Bank of America Career Services building for PSAA Staff working in Alumni Career Services, and
 - iii. Non-exclusive use of office and clerical support space for PSAA Staff working in Donor and Member Services and/or in conjunction with the University's Career Services unit.

The University shall have the right to reallocate Space assigned to PSAA at its discretion, except with respect to the Hintz Center, for which the University shall only be permitted to reallocate space in accordance with the Hintz Documentation. In such event, the University shall designate such reallocated Space, and such space, will be reasonably comparable to the then existing Space occupied by PSAA. In all cases, the PSAA shall keep and maintain the Space and other equipment and supplies located in the Space in a good, clean, orderly, and safe condition subject to normal wear and tear; provided, however, the University shall, at all times, perform all required repairs to the Space on a timely basis and in a workmanlike manner. PSAA shall not make any alterations, additions, improvements or modifications to the Space without the prior written consent of the University.

- c. **Other Services.** The University shall provide services (including without limitation accounting, accounts payable/receivable services, auditing, treasury

services, cash management and banking services, mail service, communications and marketing, landscaping and snow removal of the Space, utilities, purchasing, investment and investment management, telephone services, internet services, risk management, IT services, custodial services, and maintenance) to PSAA in the manner provided to other academic and administrative units of the University. To the extent that the University charges PSAA for the delivery of any of such services as of the date of this Agreement, it may continue to do so at the rates and in the manner charged to administrative, academic and other units of the University from time to time. The University reserves the right to charge for any services with respect to which the University does not currently charge PSAA after not less than 12 months' notice to, and consultation with, the CEO.

- d. **Legal Services.** As a separate, independent organization, PSAA may retain and engage legal counsel as it deems appropriate. The University shall not provide legal services to PSAA; provided, however, the University agrees to have its legal counsel make itself available, upon the request of the PSAA who shall consult with and discuss with counsel to PSAA matters of mutual interest from time to time which may impact the PSAA, including, without limitation, matters involving insurance coverage, investigations, litigation, and similar matters. PSAA will cause its counsel to consult with University counsel with respect to First Amendment issues relating to the University and its alumni.
3. **University Name and Marks.** Use by PSAA of trademarks of the University shall be in accordance with a separate license and use agreement in the form attached as Exhibit A which shall include, among other things, the right of PSAA to use certain identified University's trademarks, service marks (collectively, "University IP") in PSAA's current and future operations, and the right of the PSAA to sublicense the University IP to third parties in the PSAA's affinity and other agreements.
 4. **Ownership and Use of University Alumni Database.** The University shall own all records, data, and information relating to alumni of the University managed by PSAA staff (the "Database"). During the Term, PSAA shall have an unrestricted, royalty free right to access any information contained in the Database to use such information for purposes of its activities. With the prior written consent of the University, and for no charge whatsoever by the University to PSAA, PSAA may share portions of the Database with third parties in connection with the PSAA's operations or activities but shall not otherwise have the right to sell, rent or otherwise transfer the Database or any information contained therein to any third party for any purpose. All computers, servers, hardware, and software on which the Database resides shall be owned by the University and shall be maintained by the University. The University shall be responsible for providing data security and for all matters involving data security of such information in the Database. The University shall also be responsible for any and all other issues arising from the ownership and operation of the Database, including, without limitation, using commercially reasonable efforts to assure the confidentiality, accuracy, and completeness of the Database, implementing commercially reasonable safeguards to protect the Database, and addressing consequences in the event of a breach of the Database. PSAA shall have the right to derive information

from original information contained in the Database creating, for example, collections, subsets, improvements, modifications, adaptations, and translations of original information. Upon termination of this Agreement, the University shall provide a copy of the biographical and contact information of PSAA's current life and annual members contained in the Database.

5. Editorial Rights of PSAA Publications.

- a. As of the date of this Agreement, PSAA publishes and distributes the Penn Stater Magazine, the Football Letter, and Alumni Insider (collectively, "Current PSAA Publications") to University alumni and friends of the University. Additionally, PSAA, in its sole discretion, reserves the right to author, publish and distribute additional periodicals and materials, each of which shall be owned by and be published under PSAA's auspices, including using PSAA's intellectual property.
- b. The PSAA shall have complete, unrestricted editorial freedom to publish and distribute the Current PSAA Publications in furtherance of its mission, as well as other materials in the future on such dates, in such manner and in whatever media it deems appropriate, and shall at all times be permitted to maintain ownership rights in the copyrights and other intellectual property rights relating thereto.

6. PSAA's Ability to Enter into Merchandising/Affinity and Sponsorship Agreements.

- a. With the prior written consent of the University, PSAA may enter into and maintain business relationships with various third parties which may involve the use of the University IP in order to promote certain products and services of third parties and to enter into certain affinity relationships which utilize certain University IP for which the PSAA shall receive royalties and other consideration from such third parties.
- b. The University shall reasonably cooperate with the PSAA with respect to such existing and prospective sponsorship and affinity relationships.

7. Organizational Structure of PSAA

- a. PSAA is a Pennsylvania not-for-profit corporation and shall be governed according to its Second Restated Articles of Incorporation dated July 30, 1986, by its bylaws and such other policies, as shall be determined by PSAA. PSAA has a governing body, known as its "Alumni Council", consisting of members who are elected and appointed by its officers and shall be operated independently from the University at all times. PSAA shall at all times maintain tax-exempt status under Section 501(c)(3) of the Internal Revenue Code of 1986. At PSAA's option, PSAA's wholly owned subsidiary, PSAA Holding Corp. may remain in existence and shall have the purpose of addressing issues deriving from unrelated business taxable income and for such other purposes as shall be determined by PSAA.

- b. The CEO shall at all times (i) have the authority to designate one or more PSAA Staff to serve as PSAA's Treasurer and Secretary, consistent with the authority accorded to the CEO in the PSAA bylaws (ii) be an administrator of the University at an appropriate administrative level, and (iii) shall have a direct reporting relationship to the President of PSAA and its Executive Board and to the Vice President for Development and Alumni Relations of the University or his or her designee.
 - c. The CEO shall have authority to (i) enter into contracts as to PSAA matters as such may be delegated by the Executive Board of the PSAA to the CEO from time to time, (ii) retain the services of independent contractors on behalf of the PSAA, and (iii) subject to budgetary and human resources limitations, may hire and fire University employees assigned to PSAA in compliance with University policies, and to fulfill the needs of PSAA.
8. **Relationship of Colleges and Campuses with PSAA.** The University shall cause each University college and campus to assign at least one (1) University employee to support PSAA's alumni relations program and to work with its respective constituent society or affiliate groups of PSAA as appropriate. The president of each college and campus constituent society shall be as set forth in the PSAA bylaws from time to time (which presently designates such persons to be ex-officio, full voting members of the Alumni Council). To the extent determined by PSAA, PSAA shall provide financial and additional resources to the University's colleges and campuses for the execution of its alumni relations programs, including support for each constituent society. Such financial support provided shall be based in part on PSAA's members in such college/campus compared to the total population of such constituent group.
9. **Relationship with University President.** In order to foster a positive relationship between the University and PSAA, the University President, the Vice President for Development and Alumni Relations and the CEO shall meet at least once each calendar quarter to discuss matters of mutual interest between the parties.
10. **Management of Finances.**
- a. **Membership dues and other revenues.** PSAA receives operating revenues from various activities, including dues paying membership programs, entrepreneurial activities and programs, corporate affinity partnerships, fundraising, income from invested endowments and endowment-like funds, and other appropriate initiatives. All membership dues and other revenues received from other sources (excluding donations and gifts to the University which have not been specifically and exclusively designated for the benefit of PSAA) shall be owned by PSAA and PSAA shall have full dominion and control over such revenues; provided, however, that, all such funds shall be collected, handled, retained, and otherwise managed in accordance with the University's and PSAA's policies and procedures; and provided further that to the extent that

University policies and procedures are inconsistent with PSAA policies and procedures, the University's policies and procedures shall be followed. All fundraising activities of PSAA shall be conducted under the auspices of the University and in accordance with all applicable University policies and procedures.

- b. **Funds.** PSAA may hold and invest endowment and endowment-like funds, including its Life Member Fund, Operating Reserve Fund, Margin of Excellence Fund and such other funds that may be designated, restricted and/or segregated by PSAA in the future, in such a manner as PSAA deems appropriate. PSAA shall determine spending rates applicable to such funds and may use income from the funds to support operational and other expenses of PSAA as permitted by law. At PSAA's request, the University will serve as custodian for PSAA funds at no charge to PSAA. All funds for which the University acts as custodian shall be collected, handled, retained, and otherwise managed by the University in accordance with the University's policies and procedures. Funds held by PSAA may be invested, reinvested or disbursed in such manner as may be determined by PSAA in its discretion.
 - c. **University Support.** Consistent with the Annual Budget (as defined in Section 13 below), the University will provide consulting and other advice, access to necessary systems and other operational support, as reasonably requested by PSAA. Such support shall be provided in accordance with University policies and procedures and in the manner provided to other academic and administrative units of the University. All such services shall be provided at no cost to PSAA.
11. **Access to Records and Reports.** PSAA shall provide the University with access to all of its books and records during normal business hours and upon reasonable notice for purposes of determining compliance with this Agreement and for audit purposes.
12. **Audited Financial Statements.** PSAA shall furnish or cause to be furnished to the University copies of its balance sheet and income statement for the year ended as soon as available but not later than 120 days after the end of each fiscal year, which shall be audited by a certified public accounting firm reasonably satisfactory to the University.
13. **Annual Budget.** The University shall establish, in accordance with its standard policies and procedures, an annual budget with respect to its financial and operational support of PSAA as set forth herein ("Annual Budget"). Each Annual Budget shall be prepared in consultation with PSAA and shall set forth the limits of the University's obligations with respect to the financial and other support to be provided to PSAA hereunder. To the extent that the actual cost of any such service provided by the University exceeds the amount budgeted therefor in any year during the Term, PSAA shall pay the amount of such excess to the University upon receipt of appropriate documentation from the University. The Annual Budget is intended to set forth the annual limitations on the University's support of PSAA and, except as set forth above, is not intended to serve as a

limitation on PSAA's use of its own funds or as a limitation on PSAA's ability to incur expenses in connection with its activities.

14. **Taxes.** PSAA shall be solely responsible for the payment of all federal, state and local taxes of any nature, including sales and use taxes, related to the PSAA's activities and for the preparation and filing of all tax returns required to be prepared and filed by the PSAA.
15. **Insurance.** The University shall provide insurance coverage for PSAA against such risks and in such amounts and upon such terms and conditions as the University shall reasonably determine. The University and PSAA shall periodically consult with one another as to the type and amount of such insurance coverage. The amount and type of such coverage shall be generally consistent with coverage provided with respect to other University related entities. In addition, the University shall provide insurance coverage for alumni chapters, interest groups and similar entities recognized by PSAA ("Affiliate Groups") against such risks and in such amounts and upon such terms and conditions as the University shall reasonably determine. PSAA shall reimburse the University for fifty percent (50%) of the cost of such Affiliate Group coverage, payable upon receipt of appropriate documentation from the University.
16. **Additional Rights.** The University acknowledges that PSAA may separately engage in legislative advocacy as permitted by Section 501(c)(3) of the Internal Revenue Code of 1986, as amended.
17. **Dispute Resolution.** In the event of any dispute, claim, or disagreement arising from or relating to this Agreement, the parties agree to use their best efforts to settle the dispute, claim, or disagreement by consulting and negotiating with each other in good faith and, recognizing their mutual interests, and attempting to reach a just and equitable solution satisfactory to both parties. Such best efforts shall include, at a minimum, two in person meetings between the President of the University, the Vice President for Development and Alumni Relations, the President of the Alumni Council, the CEO and such additional persons as shall be designated by each President. If the parties do not reach such solution within a period of thirty (30) days after the second of such meetings, then, the parties may take such action as either of them deem appropriate.
18. **Exclusivity.** Prior to a notice of termination delivered pursuant to Section 20 hereof, the University will not enter into any arrangement or understanding with any other organization with respect to Alumni Relations Services without the prior written consent of PSAA.
19. **Term and Termination.**
 - a. The term of this Agreement shall commence as of the date hereof and shall continue until terminated in accordance with the terms hereof (the "Term").
 - b. Either party may terminate this Agreement by giving written notice to the other party at least 24 months in advance of the date for termination set forth in such notice;

provided, however, that the University may terminate this Agreement immediately upon written notice to PSAA in the event that PSAA is not a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended.

- c. Within 30 days after the delivery of a notice of termination, the parties shall meet in person and confer with respect to a plan for an orderly wind-down of the parties' relationship, including provide for the payment of any amounts due to/from the PSAA as of the Termination Date.

20. Miscellaneous.

- a. **Independent Contractor Status.** This Agreement does not, and shall not be construed to, establish a joint venture, partnership, or agency relationship between the parties. In performance of the Alumni Relations Services hereunder, PSAA is and shall remain at all times an independent contractor. PSAA shall be entirely and solely responsible for PSAA's acts while engaged in the performance of the Alumni Relations Services. PSAA shall have no right to bind the University, transact any business in the University's name or on behalf of the University in any manner or form, or make any promises or representations on behalf of the University.
- b. **Notice.** Any notice required under this Agreement shall be in writing and shall be given, and be deemed to have been duly given, upon the date delivered, if delivered personally, or upon the date received, if mailed postage pre-paid by certified mail return receipt requested, in either case addressed to the address of the other party as indicated below, or to such other address as either party may designate in writing by notice.

If to PSAA:

Penn State Alumni Association
Chief Executive Officer
Hintz Family Alumni Center
University Park, PA 16802

If to the University:

The Pennsylvania State University
Vice President for Development and Alumni Relations
116 Old Main
University Park, PA 16802

- c. **Entire Agreement.** This Agreement contains the entire understanding with respect to the subject matter hereof and supersedes any prior understanding or written or oral agreements between the parties respecting the subject matter. No amendment, modification or alteration of the terms hereof shall be binding unless

the same be in writing, dated subsequent to the date hereof and executed by authorized representatives of PSAA and University.

- d. **No Assignment.** Neither PSAA nor the University shall assign any of its rights or duties hereunder without the prior written consent of the other party hereto.
- e. **Severability.** In the event any one or more of the provisions contained in this Agreement shall, for any reason, be held invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions thereof and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.
- f. **Governing Law; Venue.** This Agreement shall be governed by the laws of the Commonwealth of Pennsylvania without regard to its conflicts of laws provisions. Following dispute resolution steps described in Section 17 hereof being taken, the parties agree that any controversy, claim, or dispute arising out of relating to this Agreement or the breach thereof shall be adjudicated in the Court of Common Pleas for Centre County, Pennsylvania, or the United States District Court for the Middle District of Pennsylvania.

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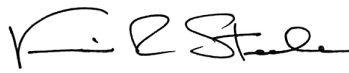
- g. **Non-Discrimination.** Both parties shall assure that any services provided pursuant to this Agreement are rendered without regard to race, color, ancestry, national origin, religion, creed, service in the uniformed services (as defined in state and federal law), veteran status, sex, sexual orientation, marital or family status, pregnancy, pregnancy-related conditions, physical or mental disability, gender, perceived gender, gender identity, genetic information or political ideas. PSAA agrees that it and its employees, subcontractor employees and volunteers have read University Policy AD85, found at the following website <https://guru.psu.edu/policies/AD85.html>, and agrees to comply with its provisions.

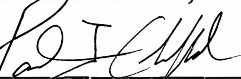
IN WITNESS WHEREOF, the parties have executed this Agreement as of the effective date set forth above.

THE PENNSYLVANIA STATE UNIVERSITY

By: 
Eric J. Barron, President

PENN STATE ALUMNI ASSOCIATION

By: 
Kevin R. Steele, President

By: 
Paul J. Clifford, Chief Executive Officer